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| APPLICATION NO. | FILING DATE | FIRST NAMED INVENTOR | ATTORNEY DOCKET NO. | CONFIRMATION NO. |
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| 09/900,106 | 07/06/2001 | Alan R. Kaufman | 54432-5001 | 4407 |

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10/02/2002

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EXAMINER

BASHORE, ALAIN L

ART UNIT

PAPER NUMBER

3624

DATE MAILED: 10/02/2002

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/900,106

Applicant(s)

KAUFMAN, ALAN R.

Examiner

Alain L. Bashore

Art Unit

3624

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 06 July 2001.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-19 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-19 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☒ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☐ The proposed drawing correction filed on _____ is: a) ☐ approved b) ☐ disapproved by the Examiner.
- If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. §§ 119 and 120

- 13) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.
- 14) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).
- a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892) 4) ☐ Interview Summary (PTO-413) Paper No(s). _____
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948) 5) ☐ Notice of Informal Patent Application (PTO-152)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449) Paper No(s) _____ 6) ☐ Other: _____

DETAILED ACTION

Specification

1. The use of the trademarks such as "S&P 500" have been noted in this application.

All trademarks should be capitalized wherever it appears and be accompanied by the generic terminology.

Although the use of trademarks is permissible in patent applications, the proprietary nature of the marks should be respected and every effort made to prevent their use in any manner which might adversely affect their validity as trademarks.

Claim Rejections - 35 USC § 101

2. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

3. Claims 1-9 are rejected under 35 U.S.C. 101 as non-statutory. The claims as presented do not claim a technological basis in the body of the claim. While the specification discloses such a basis, there is no basis claimed. Without a claimed basis, the claim is considered non-statutory.

Claim Rejections - 35 USC § 103

4. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

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(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

5. Claims 1-19 are rejected under 35 U.S.C. 103(a) as being unpatentable over Daughtery, III in view of Lange in further view of Makivic.

Daughtery, III discloses a method and system for issuing a derivative contract to a buyer utilizing a database and processor. A premium is identified for a derivative contract (col 19, lines 21-24), a return value (col 4, lines 37-46) is estimated, and the derivative contract is issued to the buyer where payment is provided to the buyer.

Daughtery, III does not explicitly disclose:

- an index that represents a measure of commercial market volatility and a target value assigned for the index at an expiration of the derivative contract;
- an exchange fee and futures market; and
- estimating a return value to pay the buyer at the expiration if the target value is attained.

Lange discloses an index that represents a measure of commercial market volatility (col 22, lines 48-67; col 23, lines 1-40), a target value is assigned for the index at an

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expiration of the derivative contract (col 23, lines 40-67), exchange fee (col 9, lines 43-44), and futures contracts (col 8, lines 3-10)

It would have been obvious to one with ordinary skill in the art to include an index that represents a measure of commercial market volatility and a target value assigned for the index at an expiration of the derivative contract to Daughtery, III because of what is taught by Lange. Lange teaches that indexing is a popular form of derivative (col 8, lines 6-7).

It would have been obvious to one with ordinary skill in the art to include exchange fee and futures contracts because of what is taught by Lange. Lange teaches that system operations incur costs (col 9, lines 43-44) and that futures are known as a type of derivative (col 8, line 6).

Regarding claims 17 and 18, it would have been obvious to one with ordinary skill in the art to the recited calculations because Lange teaches that asset value is an important calculation that involves a future context (col 17, lines 36-48).

Makivic appears to disclose estimating a return value to pay the buyer at the expiration if the target value is attained (col 1, lines 19-67).

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It would have been obvious to one with ordinary skill in the art to include estimating a return value to pay the buyer at the expiration if the target value is attained to Daughtery, III because of what is taught by Makivic. Makivic teaches the valuation is important to derivatives (col 1, lines 30-35).

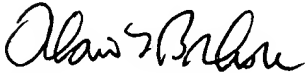
Conclusion


6. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure. Shepard teaches valuation and Anderson teaches index calculations.

7. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Alain L. Bashore whose telephone number is 703-308-1884. The examiner can normally be reached on about 7:30 am to 5:00 pm (Alternate Fridays Off).

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin can be reached on 703-308-1065. The fax phone numbers for the organization where this application or proceeding is assigned are 703-305-7687 for regular communications and 703-305-7687 for After Final communications.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is 703-305-1113.


Alain L. Bashore
September 24, 2002


VINCENT MILLIN
SUPERVISORY PATENT EXAMINER
TECHNOLOGY CENTER 3600